

## ABSTRACT OF THE DISCLOSURE

Methods of carrying out an electronic transaction that includes payment via a secure electronic draft, include steps of establishing a secure computer site that includes a representation of the draft, the site being controlled by a financial service provider and accessible only to authenticated parties to the transaction; creating a first online letter of credit linked to a drawer of the draft and including predetermined terms, satisfaction of the terms being a precondition to the financial service provider extending credit to the drawer; authenticating each party to the draft requesting access to the draft represented at the computer site, and releasing payment on the draft to a drawee of the draft. At least a portion of the released payment may originate from the credit extended to the drawer. An online performance bond may define liquidated damages to be paid to a drawer upon non-performance of the drawee or to the drawee upon non-performance of the drawer. The payment may be released to the drawee of the draft when both drawer and drawee perform, or the liquidated damages may be paid to the drawer upon non-performance of the drawee or to the drawee upon non-performance of the drawer. The online letter of credit may be the basis for modeling all trade finance products, including various types of letters of credit, performance bonds and insurance in a variety of instances. iDraft™ contingencies plus terms and conditions may define all payment connected trade finance products. Individual products may be defined through proper configuration of the present iDraftC™ functionality and software.